

E-GOVERNMENT

B L U E P R I N T

CALIFORNIA FRANCHISE TAX BOARD

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California Franchise Tax Board's vision, goals and strategies for transforming the relationship with customers through e-commerce opportunities.



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Introduction

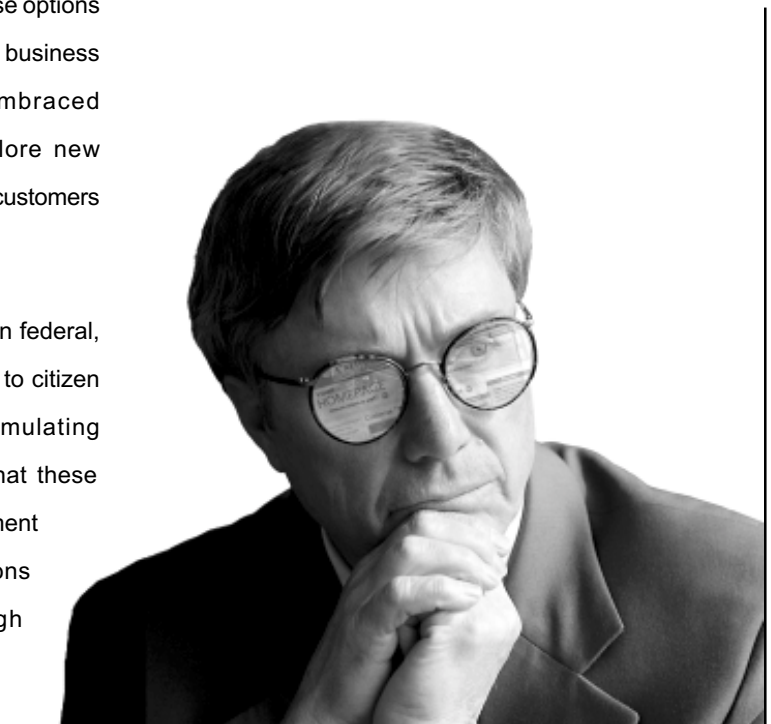
A Time for Transformation

The California Franchise Tax Board has been using technology to improve the way it does business with the public for years, but now the department is poised to transform how it interacts with its customers. The goal is electronic government, or e-government, which is a new model for how government interacts with citizens and other business partners in the private and public sectors. For FTB, the goal of e-government is to provide taxpayers, businesses, and our other business partners integrated electronic services that are relevant, convenient, and secure—and delivered in Internet time. This also means an internal, organizational transformation that supports the new business model. New technology is the medium facilitating the move to e-government, but there are other factors driving the need for change to happen now rather than later:

- ◆ **Customer Service Demands:** Our customers — whether individual taxpayers, businesses, or third parties and suppliers—now expect electronic/Internet options for interacting with FTB similar to those options they have come to rely on when transacting business with the private sector. FTB has embraced e-government as an opportunity to explore new business models that deliver real value to our customers and other business partners.
- ◆ **E-Government Initiatives:** Leaders in federal, state, and local government are responding to citizen demands for electronic services by formulating e-government initiatives. We anticipate that these initiatives will soon mandate that all government agencies provide electronic service options accessible to the public through common portals.

- ◆ **Global Competition:** California government recognizes that the continued economic growth and prosperity of the state is dependent upon its ability to make doing business with FTB and all state agencies fast and easy for the customer—whether an individual or a multi-national corporation—and efficient for the agency. A government agency with the appropriate e-government infrastructure and capabilities will be an agency that can play a role in keeping California competitive in the global marketplace.

In short, e-government is inevitable, and it is the right thing to do; this is not a choice—this is our charge. This is also our challenge, and we realize that FTB's e-government initiative is not simply a new project or application. It is a fundamental change in how we view our relationship and interaction with individual taxpayers, businesses and our other partners. Most of all, e-government is customer-centric, putting the customer first by designing business solutions and services that are tailored, accessible, and preserve public trust.



Past Successes at FTB Have Paved the Way For This Transformation

We have been providing convenient electronic services to customers since 1993 when FTB implemented the Electronic Funds Transfer (EFT) program. But EFT was only the first in a host of other e-services that have since been rolled out, including Electronic Filing of tax returns (1994), establishing an FTB website on the Internet (1995), TeleFiling (1996), Internet-based Online Tax Filing (1998), and “e-pay,” which allows e-filers and TeleFilers to authorize FTB to debit their bank accounts for a balance due (1999).

The New World of E-Government

All of these electronic services achieve the goal of making customer services convenient for the customer and efficient for FTB. But the future direction of these services—thanks to technological innovations and growing public use of the Internet—will move FTB and other government agencies into a new world, the world of e-government.

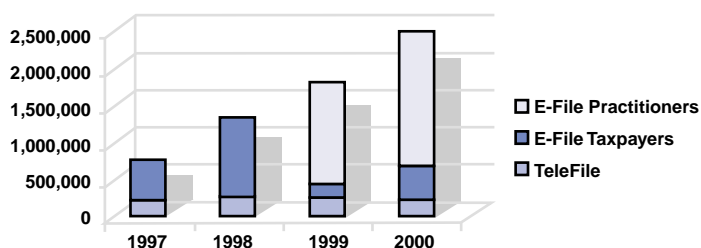
E-government means using expertise, technology, and partnerships to integrate government services for the public.

Until recently, Government, in general, has approached the

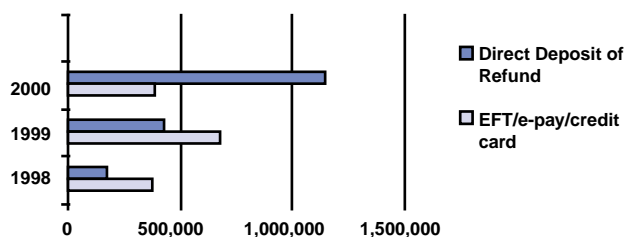
task of providing services from an agency-centric perspective. But e-government views the world from a customer-centric perspective, a paradigm that precludes stovepipe services in which citizens must go to multiple agencies (and often multiple offices within an agency) to do business with government. Providing services from a customer-centric perspective means developing a single service interface regardless of what agency actually provides the service. The only “agency” becomes “California” which is accessed by customers through a single Internet portal. In short, the boundaries of government agencies begin to blend as California begins to build an integrated Government.

Within FTB, this blending occurs as an integration-of-services based on a shared information technology infrastructure. In simpler terms, customers will access our services—whatever the nature of the service—through a single Internet portal. Their needs will then be met through an

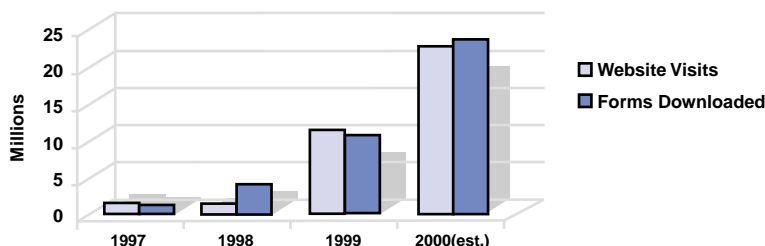
E-Filing Growth



E-payment/E-Refund Growth (# of transactions)



FTB Website Use



intentions-based menu of options. No longer would customers need to decipher bureaucratic terms to decide where they need to navigate to transact business with FTB. The term “user friendly” does not do justice to the extent of this streamlining of our processes to meet public needs. Ultimately, the technology will allow us to provide individualized customer service—customized interactions with taxpayers.

While we focus our organizational attention on external service to our customers and their agents, we will also be laying the groundwork for internal transformation—how we conduct business internally and with our suppliers. This internal transformation further supports our goal of external transformation by making sure FTB staff has the information and the tools necessary to provide excellent customer service.

For employees, this also means having online access to their own personnel information, and working in an organization with integrated administrative processes. Through an enterprise-wide approach, FTB will integrate and, where appropriate, automate processes that include budget and procurement transactions, personnel transactions, and workflow processes.

This transformation will be no simple matter. It requires a bold vision and goals that stretch our organizational capacity to meet the changing needs of California and all of our customers.

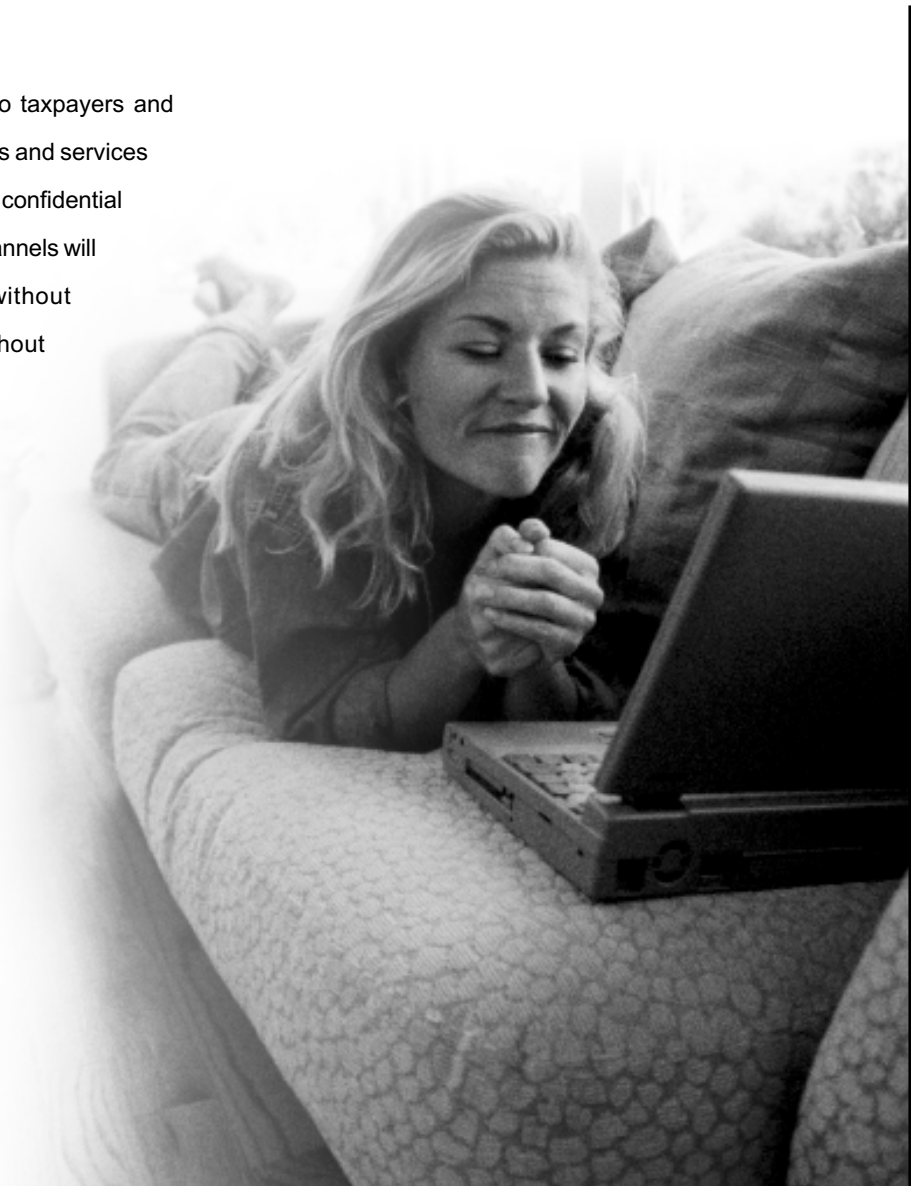


FTB's E-Government Vision

Consistent with the department's strategic goals and its history of providing convenient electronic services since 1993, the following vision statement sets FTB's strategic e-government direction for 2000 – 2005:

Transform the relationship between FTB and our customers, suppliers and distribution channels by using appropriate technologies to offer high-quality e-government services.

FTB will become more accessible to taxpayers and others by offering an array of products and services that are easy to use, tailored, secure, confidential and convenient. These electronic channels will create value for our customers without increasing cost or burden and without increasing long-term costs to FTB.



Goals & Objectives

FTB's e-government vision will be achieved by pursuing two defined goals with specific objectives. The first goal is focused externally on our interaction with the customer, and the second goal focuses on our internal business processes.

Goal 1:

Deliver E-Government Services to our Customers and Their Agents.

Make it easier for Californians to comply with the tax laws and do business with FTB by offering them the ability to conduct all their interactions with FTB electronically, using methods that are secure, convenient, and tailored to their needs.

Objectives:

1. Provide all external FTB forms and publications to our customers online.

For the past few years, FTB has provided web access to and downloading options for most popular tax forms. We need to expand this access for all forms. In today's environment, this is an absolutely essential and immediate step that we must take to serve those customers who prefer getting their information online. Making all our forms and publications available to download will give our customers a convenient and easy option for getting this information quickly.

2. Present a customer-centric online view of FTB.

Making general tax information available online is good, but putting it online in a manner that makes intuitive sense to our customers and meets the

specific needs of different customer segments is even better. Not only will we endeavor to make our own internal boundaries transparent to our customers, but we will work with other organizations to make it increasingly easy for our customers to get all of the information they need with the fewest clicks of their mouse.

3. Provide options for customers to communicate with FTB online.

Offering online communication options to our customers will make it easier and more convenient for them to get the information and assistance they need. By ensuring the security of those online communications, we can exchange the confidential information needed to get our customers the right answers to their questions and resolve any problems they might be having as quickly as possible.

4. Offer online self-service options for customer transactions.

Our customers will be able to go online to file various types of returns, make payments, track the progress of their refunds, access their personal account information, set up payment arrangements, appeal an action that we have taken, and more. Offering transactions online, in a secure environment, 24 hours-a-day, 7 days-a-week, will help make doing business with FTB as simple, easy, and convenient as possible and put more of the control over transactions into the hands of our customers. As appropriate, FTB will pursue partnership opportunities with tax practitioners, the electronic tax services industry and others to enable a variety of self-service options.

5. Send customized online information to taxpayers.

Every customer has unique needs and preferences. That's why each customer should be able to select both the types of information they want online and their method of obtaining it. Some may want to be reminded when a deadline is looming or prefer to have FTB assemble information and send it to them. Others may prefer to do it themselves. Whatever their preference, FTB will try to find a way to meet it. Representatives of taxpayers also will be included in the scope of this objective, to ensure that these intermediaries can continue to provide value-added services to their clients.

Goal 2:

Use Appropriate Technologies to Improve How We Conduct Business Internally and with Our Suppliers.

Re-think and re-engineer how we do business in order to increase efficiency and mirror best practices.

Objectives:

1. Provide all internal forms, publications and manuals online.

A majority of internal forms already are accessible via FTB's internal network. But many more will be added, along with more detailed publications and manuals. Ready access to the information that we need to do our jobs will help us serve our customers better and improve our efficiency and effectiveness. By making internal information and forms available to our employees online, they'll be able to get information when they need it, wherever they are—

whether conducting an audit in our Manhattan office, collecting an account in Los Angeles, or on the phone with a taxpayer in Sacramento.

2. Present an employee-centric online view of internal FTB information for inquiry by FTB users.

It should be as simple as possible for our employees to quickly find the information they need to do their jobs well. That means offering online information in a manner that gets them to the information they need (e.g., budgets, collections, or personnel), with just a few clicks of their mouse, regardless of where it resides in the organization. One important element included in this objective involves the implementation of new functionality to match specific information to a specific employee according to the job duties of that employee.

3. Conduct our administrative business processes electronically, including transactions with external suppliers.

To offer our customers the ability to do business with us online, we must also develop the capacity to conduct our own internal processes electronically. As a government agency, we believe that we owe it to taxpayers to operate as efficiently as possible.

4. Develop an integrated, online view of job-related taxpayer information (i.e., "taxpayer folder").

By making all of the electronic information relevant to a particular taxpayer issue available to our employees in a virtual "taxpayer folder", they will be able to resolve issues more quickly and more accurately. Whether responding to an e-mail,

conducting an audit, or setting up a payment arrangement, FTB employees will have all of the information they need to get the job done right the first time. One important element included in this objective involves the analysis of how information from a variety of technology systems can be presented at the desktop level to employees.

Near Term Efforts

Clearly, these goals and objectives are broad and visionary, but what are the more specific details of this transformation to e-government? At this point, we are just beginning to uncover them. In the weeks and months ahead, we will continue to engage in the more detailed planning needed to identify the new services that we will be offering both initially and over the next several years.

In the mean time, we have already developed plans to provide six new services to our customers over the next 16 months and five new services to our employees over the next 30 months.

Goal #1 :

Deliver E-Government Services to our Customers and Their Agents.

- *Secure e-mail proof-of-concept project: encrypted/digital signature communication to/from tax preparers*
- *Web-based access to all tax forms*
- *Filing portal to accept tax returns directly from taxpayers who prepare their returns using commercial software*

- *Electronic request for installment payment agreements*
- *Authentication for individuals e-filing tax returns (PINs issued to 4-5 million taxpayers; procedural authentication required for all others not using PINs)*
- *Web-based inquiry for identifying FTB-approved tax practitioners offering e-file services within a specified zip code area*

Goal #2 :

Use Appropriate Technologies to Improve How We Conduct Business Internally and with Our Suppliers.

- *FTB Intranet (FTBNet) access to all internal forms*
- *Implement Intranet framework for the FTBNet to provide foundation for future internal/administrative projects*
- *Participate in the development of a statewide project, led by the State Controller's Office, to provide on-line travel claim routing, approval, payment, and reporting processes*
- *Implement foundational architecture for an e-employee database to provide the core database for future development and integration of departmental administrative systems*
- *Implement an integrated enterprise-wide approach for on-line training nominations, approvals and funding*

Long Range Plans and Stakeholder Involvement

As these and other initial projects are being implemented, FTB will also be developing and implementing the first phases of some of the more complex business solutions that are required for the e-government transformation. A more detailed implementation plan is under development by FTB to describe these longer-range projects, including the benefits for taxpayers as well as operational efficiencies. During the next few months, FTB will solicit stakeholder and customer input as part of the process to define specific e-government initiatives beyond the 2000 - 2002 period. FTB anticipates

that the initial iteration of this long-range plan will be available in the fall of 2000.

To keep our customers and business partners aware of our progress and to provide them with the specific details of FTB efforts, tactical plans and implementation reports and updates will be provided on FTB's website. We anticipate that response to these reports and updates, in addition to our ongoing collection of stakeholder data regarding desired services, will ultimately lead to the customer-centric services desired by the public and our business partners.



Strategies for Success

We recognize that the issues surrounding e-government are broad and complex. It is not simply a matter of publishing existing information on a website. Consequently, we are focusing on four critical areas in the initial phase of our initiative: ensuring public trust by protecting taxpayer privacy and maintaining data security; expanding partnerships with the public and private sector; focusing on customer needs and expectations; and assessing our organizational capacity to ensure our own e-organizational readiness for the future.

Strategy #1: Ensure Public Trust

E-government in any form can only succeed with the public's trust in the services offered. This is especially true when it comes to one of the critical components of e-government interaction from the citizens' perspective—the filing and paying of taxes.

Taxpayer Privacy: At the top of the list of concerns for any citizen, whether interacting with an online retailer or a government organization, is privacy. How will FTB use taxpayer information once it is sent to us online? In one word—responsibly. We recognize that when citizens send personal information such as financial data, or name and address information, they are entrusting us with information that demands the highest safeguards against inappropriate use. FTB plans to take the following steps to ensure taxpayer privacy:

- *Implement all e-government services consistent with FTB's privacy principles and policies and, furthermore, require our contractors to safeguard the confidentiality of taxpayer information with equal diligence in adherence to privacy policies.*

- *Educate taxpayers and third parties involved in tax preparation regarding best practices for protecting the privacy of tax information.*
- *Recognize how FTB policies impact third party use of taxpayer information and establish policies that will safeguard taxpayer privacy.*
- *Explore means to limit third party marketing using name and address information of taxpayers who file online.*

Additionally, FTB will communicate its privacy policy through our portal and other means in order to build public trust and encourage use of e-services. We want the public to know that their information is safe, but also understand what it is we do to deserve their trust to protect their privacy.

Security: Data sent to FTB will be carefully protected from interception, and the networks through which data is processed and the databases where the data is stored will be secure. FTB already has a well-deserved reputation for secure data transmission and networks, and we will continue to maintain superior, secure services through strategies that include the following:

- *Use industry standards for data security at all levels, from the firewalls to the desktops, including the use of strong 128-bit SSL encryption and ongoing monitoring of all Internet connections and servers for intrusion detection.*

- *Ensure transaction integrity so that information is not subject to interception or tampering during transmission.*
- *Ensure appropriate use of information by FTB employees in an environment where more information will be available than ever before.*
- *Develop policies and implement security measures consistent with statewide efforts.*

Authentication: For any FTB e-government application we develop, a corresponding authentication model will be used. FTB plans to use the two widely accepted authentication methods: Public Key Infrastructure (PKI) and challenge response, which uses PINs or passwords. The latter is the common industry standard for e-commerce transactions, but FTB will use PKI for applications requiring a higher level of security. PKI uses Digital Certificate technology, and we will outsource the issuance of certificates to a California registered Certificate Authority. Authentication strategies include the following:

- *Employ the level of authentication appropriate for the particular type of transaction.*
- *Ensure nonrepudiation by developing authentication methods that ensure that an individual or organization cannot disavow certain transactions after they have taken place.*
- *Adopt common authentication policies and practices across the department and support adoption of common policies and practices at the state level.*

Strategy #2: Expand Partnerships

Just as e-commerce breaks down the barriers between stovepipe or segregated business lines and services within organizations, e-government dissolves the old boundaries between diverse groups in the public and private sector. A government agency can no longer remain an island, cut off from the mainland. To fully leverage the opportunities to serve the public and become more efficient, a government agency must partner with the private sector and other government service providers. These new partnerships also require new business models for FTB and other government entities.

Relationship with Private Sector: FTB has had many successful and mutually beneficial partnerships with technology solution contractors and various groups of the tax practitioner community. But in the wired world of e-government and e-commerce, the roles for all players are changing, and new relationships need to be forged. For us, it is especially important that we have increased collaboration and communication with tax practitioner groups and tax software developers and vendors. We understand that bridging the gap between the public and private sector is in the best interest of the taxpayers, and that without these partnerships, services will be less than optimal. We will use the following strategies to expand our relationships with the private sector:

- *Recognize that government/private sector roles are changing, and respond to the new opportunities resulting from this transition.*
- *Pursue partnerships with private sector as a means of adding value for customers and leveraging government resources.*

- *Explore new business models that provide new economic value.*
- *Safeguard the relationship between government and its citizens.*
- *Strive to meet the needs of all taxpayers, including those who prefer to deal directly with government.*
- *Publish and support open data sharing standards.*

- *Explore new business models that add value for our customers and increase government efficiency.*

Statewide Alignment: As FTB explores its own e-government opportunities, the state of California is also addressing the issue through a statewide effort. We will encourage and support statewide e-government efforts and ensure consistency of FTB initiatives with the state e-government framework. FTB will also partner with other state government organizations in order to offer information and services from a customer-centric point of view without regard to organizational boundaries.

Partnerships with Other Government

Organizations: Equally important in this period of changing roles is the blending of the roles of government from the citizen perspective. Citizens do not care what agency provides them service so long as the service is accessible, convenient and tailored to meet their needs. This can only happen if separate government agencies are willing to cooperate and partner with one another to provide the public a single interface. We will pursue this transition through the following strategies:

- *Recognize that e-government provides opportunities to reevaluate how government organizations jointly serve our citizens.*
- *Pursue partnerships with other state and federal organizations in order to deliver customer-centric products and services and leverage government resources.*

Strategy #3: Become Customer-Centric

Central to the e-government initiative is the need for all decisions to be made from the perspective of our customers—individuals, businesses, and all of our business partners. FTB has always been a customer-focused organization, but now we will make the critical transition to becoming a customer-centric organization. We will succeed in this approach by ensuring that we gain stakeholder input, that we address issues that include the “digital divide,” and that we remain customer-focused when we develop service delivery systems. Also, we will ensure that our services are adequately marketed to the public.

To gather invaluable **stakeholder input**, we will use both informal and formal means, including surveys and focus groups, to obtain ongoing input from our customers, including taxpayers, FTB’s suppliers (e.g., financial institutions) and distribution channels (e.g., tax practitioners), and other government agencies.

Customer service delivery will be a primary focus in the e-government initiative, and the following strategies will be used to ensure success:

- *Create a customer-centric portal that makes organizational boundaries transparent to the user.*
- *Make the FTB portal our preferred service delivery method.*
- *Offer “self-service” government through FTB’s portal, including publishing information, providing for customer inquiry, offering online transactions, integrating service delivery, and ultimately transforming how taxpayers do business with FTB.*
- *Embrace opportunities to reevaluate our business and how we do it.*
- *Ensure consistency and interconnectivity with California’s statewide portal.*

FTB will also address the issue referred to as the “**digital divide**,” the problem of the growing gap between those citizens and companies that have access to the necessary technology and expertise to interact with us electronically and those that do not. We recognize that, unlike a private company, FTB has a responsibility to service all customer segments, including those that may prefer to do business with us through traditional channels and mediums such as by mail, phone and in person rather than use online self-service options. Consequently, we will offer e-government services to taxpayers as options, but continue to provide

service through the other mediums. After all, e-government is not about reducing service, but rather increasing options for all customers. Further, FTB will explore all opportunities for partnerships that bring e-government services to more Californians.

An important element of offering service options to customers is making the public aware of these options through **marketing**, and FTB plans to devote resources to marketing e-government initiatives. This marketing effort will include engaging in both mass marketing and marketing to specific groups. Our Speaker’s Bureau, for instance, conducts ongoing seminars to tax practitioners and other groups, and we will expand their role to include e-government issues.

Another strategy is to use marketing to **position FTB as an e-government leader within state government**. We will accomplish this by reaching out and marketing our e-government products and services to change taxpayer behaviors for those who need more assurances about the value and security of our services. Also, we will work to recruit partners in both the public and private sectors so that more and more of our interaction with them is through e-commerce processes.

Strategy #4: Assess & Build Organizational Capacity

Government agencies now realize what the successful private companies who have already made the leap into e-commerce discovered some time ago; e-commerce requires new models for managing business processes, if not entirely new business models and organizational structures. We recognize that e-government cuts across traditional organizational lines and calls for new models of governance. In response, FTB has

expanded the authority of our Office of Electronic Tax Administration to drive the e-government initiative.

We also understand the impact on staff and business processes of e-government, and we are assessing the e-readiness of FTB and taking steps needed to make FTB an organization ready for e-commerce and e-government. This includes the critical point of managing the understanding and expectations of FTB employees and giving them the tools they will need to make FTB successful in the e-world. Just as externally, it's all about customers, internally, it's all about our employees.

Along with leadership and employee readiness comes **Infrastructure Development**. To support the e-services FTB will provide, we will build an infrastructure to successfully integrate e-government initiatives within our broader IT platform. The goal is to successfully integrate "front end," new service processes with "back end," legacy systems and business processes. Our strategy to address infrastructure development is laid out in FTB's new E-Architecture Plan discussed in the next section.

Of course, it costs money to build infrastructure and provide these services, and FTB will use the following strategies to ensure adequate funding and other **resources**:

- *Tap all funding sources, including: applying for new Innovation Fund monies; seeking new General Fund monies through the budget process; and redirecting resources within the department or individual branches/divisions/bureaus.*

- *Request and allocate resources based on long-term benefits to the organization and California as a whole—find new methods of justifying expenditures consistent with this longer-term, more holistic approach.*



FTB's E-Architecture Plan

Our customers demand direct access to FTB information and services in a manner that is easy to understand and use.

With the advent of the Internet, the technology is available that allows anytime, anywhere services to become a reality. FTB will implement business systems that allow this access and can be modified easily in response to changing business needs. To do this requires thorough IT planning. Towards this goal, we drafted an E-Architecture plan that is summarized below. This plan addresses approaches to developing the IT framework for the more specific IT project components which are currently being defined.

The IT Issues

From the IT perspective, FTB is a heterogeneous environment made up of Mainframe, Unix, PC and Windows NT based systems with various databases and application programming languages supporting the core FTB business functions. Because of this, interoperability of systems will be of utmost importance. To present a cohesive, well thought-out experience for FTB customers, our internal systems must be able to exchange data and business logic. The initial foundation for presenting data to FTB customers and methods for interoperability of systems requires that we focus on the following key IT issues:

- 1. Interoperability*
- 2. Security*
- 3. Standards*
- 4. Electronic Payments*
- 5. Technology Requirements*
- 6. State-Wide Initiative*

1. Interoperability

Where web based applications are concerned, XML (Extensible Markup Language, a standard that describes data and is optimized for web technologies) is going to play a major role in system interoperability and in presenting data to the web. Once FTB further defines specific tactical business activities related to e-government, XML schema will be developed to address interoperability.

Middleware will continue to play a role in interoperability of systems at FTB. Because of the nature of FTB's heterogeneous systems, middleware facilitates the interchange of information while providing security, reliability and manageability. FTB will standardize its middleware strategy to take advantage of the skills necessary to develop and maintain a given system. But where that is not feasible, we will develop web applications in such a way as to avoid requiring a specific middleware solution. One of the goals of middleware is to minimize the complexity to application developers.

The mainframe at FTB is being "Webified" through new tools, advanced new operating systems, and component based application development architectures. Given this, FTB anticipates that direct access to mainframe applications and data will be a secure, cost effective way to web enable applications.

Data transformation / workflow tools will also be used as FTB begins to exchange data with business partners and other state agencies. To rapidly implement systems that integrate many forms of data (EDI, XML, Mainframe, LDAP, etc.), FTB will use appropriate tools to facilitate this data exchange seamlessly.

2. Security

As previously discussed in the “Strategies” section of this report, data and network security is of the utmost importance to FTB. The FTB Internet connection and servers are currently monitored using intrusion detection devices, and we will continue to diligently monitor these gateways for any potential threat, and implement new and improved forms of intrusion detection systems as they become available. We also plan to have our system tested by outside consultants who specialize in intrusion detection and monitoring.

Standard firewall configurations will also be used to maintain security. The firewalls act as the first level of security to internal systems, and we will continually monitor and make configuration prudently. With each new application that uses the Internet there may need to be firewall changes, and these changes will be tracked, monitored and tested.

Encryption is a key element in keeping data transmissions secure, and FTB will use 128-bit SSL encryption, an Internet standard. E-mail encryption will be implemented on a tactical basis in either a web-based form or through the certificate, PKI solution discussed previously.

3. Standards

In developing any application, FTB will adhere to open, vendor independent architectures whenever possible. We recognize that this is especially important when developing Internet applications; the Internet owes its existence and interoperability to standard technologies. We also recognize that there are competing technologies and standards that will need to be taken into consideration as FTB develops applications.

4. Electronic Payments / Deposits

There are several methods of electronic payments / deposits currently available to FTB customers via the web. Electronic Payments is a service that allows customers to enter specific bank information and have payments debited directly from their account without the need to write a check. Direct deposit of refunds allows customers to enter specific bank information and have refunds sent electronically to their bank account. Credit cards are accepted via the web (through a third party) and also through the Interactive Voice Response system.

All of FTB's existing electronic payment/deposit services will be leveraged as we expand these services to be processed directly through the Internet.

5. Technology Requirements

For all practical purposes there are four implementation categories that can be used to summarize the technology requirements necessary to facilitate the delivery of applications via the Internet. Each of these levels is in increasing order of sophistication with an increasing need for sophisticated technology resources. FTB has defined technology requirements based on these categories (shown below), and will continue to refine the requirements as tactical business plans are completed that allow us to further define IT project components.

Level I – Publishing information – This level uses electronic media via the Internet to deliver general, read only information such as directories, manuals, policies, news, etc. Slightly more advanced services include increased functionality such as downloadable forms, e-mail for contacts, and search options.

Level II – Interactions – At this level additional tools are added to improve service. For example, a database may be added to post inquiries, conduct advanced searches to obtain real-time responses and submit forms.

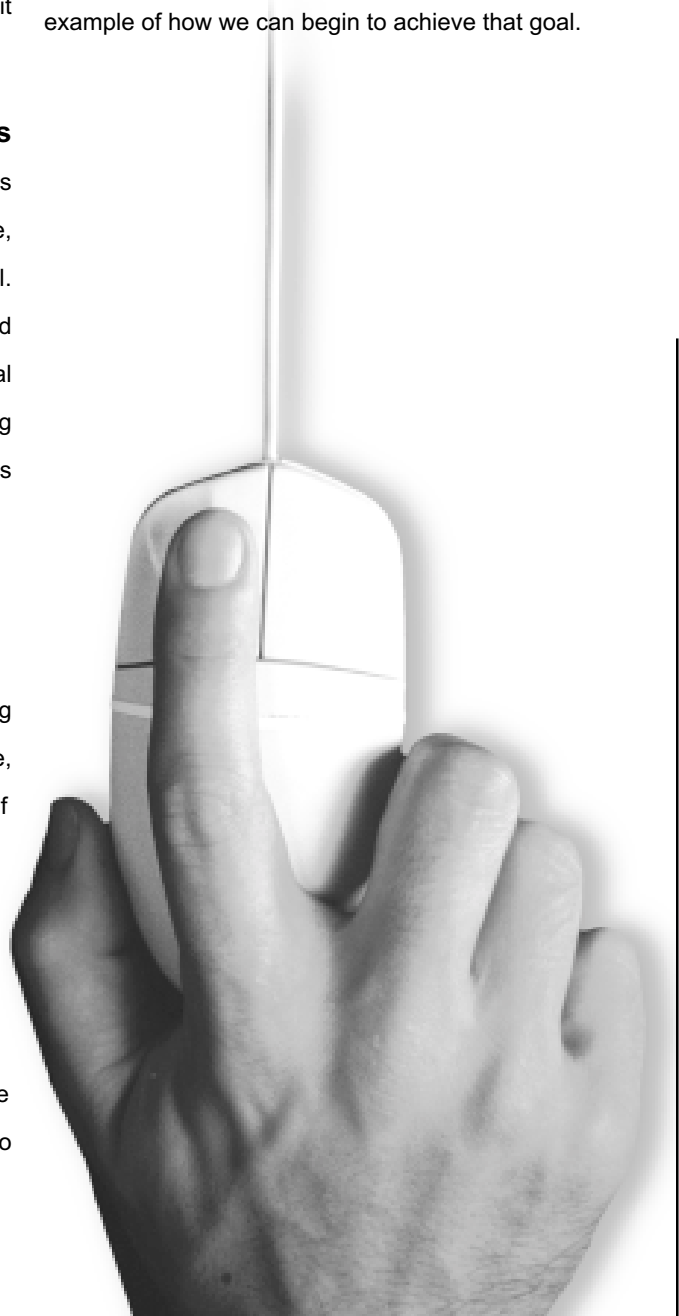
Level III – Transactions – Fully web-enabled service is added to make a business process such as tax and fee collection, purchase order submittal, and electronic payments interactive and automated. This level of technology requires Business Process analysis and re-engineering to make it reliable and secure for the Internet.

Level IV – Fully integrated automated business process – Fully automated interactions and transactions between multiple organizations, applications and database, both internally and externally, are enabled at this level. Functions include ordering, delivery, accounting, and reporting. Level III applications are focused on individual transactions, while Level IV transactions focus on automating and integrating the multiple re-engineered business processes that support the goals and mission of the application.

6. Statewide Integration

E-Government at the State level is a top priority, and is being spearheaded in a joint effort by the E-Government Task force, the Governor's Office of Innovation, the Department of Information Technology, and the E-Government Policy and Advisory Council. In working with these teams, FTB has an opportunity to develop "E" enabled applications that can be integrated with various applications that are being developed by other agencies and at the state level. For example, an application that allows a user to submit a change of address should provide that same change of address to other applications as well.

At some point there will be a statewide portal developed that will allow for personalization by the citizens of California. This will require state agencies to have applications and web-enabled systems that can "plug into" this portal in a seamless manner. It may be a number of years before the State as a whole has an infrastructure in place to realize a fully integrated portal concept, but FTB will need to position itself to take advantage of that concept. The component based architectures and development that we are pursuing is an example of how we can begin to achieve that goal.



Conclusion

E-government is not just another way of doing business; it is a transformation of the relationship FTB will have with its customers and other business partners in the future. This transformation will also happen internally for us, and in our relationship with other government entities as public services are integrated to provide citizens that “single face” to government that we have all been waiting for.

We have no illusions that this transformation will be easy, but we do recognize that it is a necessity, and we at the FTB are already moving to meet this challenge.

*E-government is inevitable, and it
is the right thing to do; this is not a
choice — this is our charge.*

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